



DEPARTMENT OF COMMERCE

International Trade Administration

(A-489-501)

Circular Welded Carbon Steel Pipes and Tubes from Turkey: Notice of Preliminary Results of Antidumping Duty Administrative Review

AGENCY: Import Administration, International Trade Administration, U.S. Department of Commerce

SUMMARY: In response to a request by interested parties, the Department of Commerce (“the Department”) is conducting an administrative review of the antidumping duty order on circular welded carbon steel pipes and tubes (“welded pipe and tube”) from Turkey.<sup>1</sup> This review covers four respondents: Borusan, Erbosan, Toscelik, and Yucel.<sup>2</sup> The Department found that Erbosan and Yucel had no reviewable entries.<sup>3</sup> We preliminarily determine that neither Borusan nor Toscelik made sales below normal value (“NV”). If these preliminary results are adopted in our final results, we will instruct U.S. Customs and Border Protection (“CBP”) to liquidate appropriate entries without regard to antidumping duties. The preliminary results are listed below in the section titled “Preliminary Results of Review.”

EFFECTIVE DATE: (Insert date of publication in the Federal Register).

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<sup>1</sup> See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part, 76 FR 37781 (June 28, 2011) (“Review Initiation”).

<sup>2</sup> The Department initiated a review on the Borusan Group, which includes Borusan Mannesmann Boru Sanayi ve Ticaret A.S., Borusan Birlesik Boru Fabrikalari San ve Tic., Borusan Istikbal Ticaret T.A.S., Borusan Gemlik Boru Tesisleri A.S., Borusan Ihracat Ithalat ve Dagitim A.S., Borusan Ithicat ve Dagitim A.S., and Tubeco Pipe and Steel Corporation (collectively, “Borusan”); ERBOSAN Erciyas Boru Sanayi ve Ticaret A.S. (“Erbosan”); Toscelik Profil ve Sac Endustrisi A.S., Toscelik Metal Ticaret A.S., Tosyali Dis Ticaret A.S. (collectively, “Toscelik”); the Yucel Group and all affiliates, Yucel Boru ve Profil Endustrisi A.S., Yucelboru Ihracat Ithalat ve Pazarlama A.S., and Cayirova Boru Sanayi ve Ticaret A.S. (collectively, “Yucel.”).

<sup>3</sup> See Memo from Christian Marsh to Ronald K. Lorentzen, entitled “Welded Carbon Steel Pipe and Tube from Turkey (Period of Review: May 1, 2010, through April 30, 2011): Whether Entries Are Reviewable for ERBOSAN Erciyas BoruSanayi ve Ticaret A.S.,” dated September 20, 2011; memo from Christian Marsh to Ronald K. Lorentzen, entitled “Welded Carbon Steel Pipe and Tube from Turkey (Period of Review: May 1, 2010, through April 30, 2011): Whether the Yucel Group's Entry Is Properly Classified and Subject to Review,” dated October 17, 2011.

FOR FURTHER INFORMATION CONTACT: Christopher Hargett or Victoria Cho, at (202) 482-4161 or (202) 482-5075, respectively; AD/CVD Operations, Office 3, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

#### SUPPLEMENTARY INFORMATION:

##### Period of Review

The period of review (POR) covered by this review is May 1, 2010, through April 30, 2011.

##### Background

On May 15, 1986, the Department published in the Federal Register the antidumping duty order on welded pipe and tube from Turkey.<sup>4</sup> On May 2, 2011, the Department published a notice of opportunity to request an administrative review of this order.<sup>5</sup> On May 27, 2011, in accordance with 19 CFR 351.213(b)(2), Toscelik self-requested a review.<sup>6</sup> On May 31, 2011, in accordance with 19 CFR 351.213(b)(2), Borusan and Erbosan each self-requested a review. On the same date, domestic interested party U.S. Steel Corporation (“U.S. Steel”) requested reviews of Borusan, Toscelik, and Yucel, in accordance with 19 CFR 351.213(b)(4).<sup>7</sup>

On June 28, 2011, the Department published a notice of initiation of administrative review of the antidumping duty order on welded pipe and tube from Turkey, covering the POR of May 1, 2010, through April 30, 2011. See Review Initiation, 76 FR 37781.

On August 5, 2011, the Department sent antidumping duty administrative review

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<sup>4</sup> See Antidumping Duty Order: Welded Carbon Steel Standard Pipe and Tube Products From Turkey, 51 FR 17784 (May 15, 1986) (“Antidumping Duty Order”).

<sup>5</sup> See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review, 76 FR 24460 (May 2, 2011).

<sup>6</sup> See Letter from Toscelik to the Department dated May 27, 2011.

<sup>7</sup> See Letters from Borusan, Erbosan, and U.S. Steel to the Department dated May 31, 2011.

questionnaires to Borusan and Toscelik.<sup>8</sup> We received Borusan's and Toscelik's Sections A-D questionnaire response in September 2011.<sup>9</sup> We issued supplemental section A, B, C, and D questionnaires, to which Borusan and Toscelik responded during December 2011 and January, February, March, and April 2012.<sup>10</sup>

In U.S. Steel's request for review of Borusan, U.S. Steel listed Borusan Birlesik Boru Fabrikalari San ve Tic. ("Borusan BBF"), Borusan Istikbal Ticaret T.A.S. ("Borusan ITT"), Borusan Gemlik Boru Tesisleri A.S. ("Borusan GBT"), Borusan Ihracat Ithalat ve Dagitim A.S. ("Borusan IID"), Borusan Ithicat ve Dagitim A.S. ("Borusan ID"), and Tubeco Pipe and Steel ("Tubeco") as members of the Borusan Group. The Department finds that Borusan BBF, Borusan ITT, Borusan GBT, Borusan IID, BorusanID, and Tubeco are no longer in existence.<sup>11</sup>

On January 18, 2012, the Department extended the time period for issuing the preliminary results of the administrative review from January 31, 2012, to May 31, 2012.<sup>12</sup>

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<sup>8</sup> The questionnaire consists of sections A (general information), B (sales in the home market or to third countries), C (sales to the United States), D (cost of production/constructed value), and E (cost of further manufacturing or assembly performed in the United States). See Letters to Toscelik and Borusan from the Department dated August 5, 2011.

<sup>9</sup> See Letter from Toscelik to the Department entitled "Welded Carbon Steel Standard Pipe and Tube Products from Turkey; Toscelik §A-D response," dated September 26, 2011 ("Toscelik QR A – D"); Letter from Borusan to the Department entitled "Section A-D Response of Borusan Mannesmann Boru Sanayi ve Ticaret A.S. in the 2010-2011 Antidumping Administrative Review Involving Certain Welded Carbon Steel Standard Pipe from Turkey," dated September 26, 2011 ("Borusan QR A – D").

<sup>10</sup> See Letters from Toscelik to the Department, entitled: "Welded Carbon Steel Standard Pipe and Tube Products From Turkey; Toscelik §A-C supplemental response," dated January 27, 2012; "Welded Carbon Steel Standard Pipe and Tube Products From Turkey; Toscelik §D supplemental response," dated April 2, 2012; and "Welded Carbon Steel Standard Pipe and Tube Products From Turkey; Toscelik second §D supplemental response," dated April 16, 2012. See, also, Letters from Borusan to the Department, entitled: "Supplemental Section A-C Response of Borusan Mannesmann Boru Sanayi ve Ticaret A.S in the 2010-2011 Antidumping Administrative Review Involving Certain Welded Carbon Steel Standard Pipe from Turkey," dated January 5, 2012; "Supplemental Section A-C Response of Borusan Mannesmann Boru Sanayi ve Ticaret A.S in the 2010-2011 Antidumping Administrative Review Involving Certain Welded Carbon Steel Standard Pipe from Turkey," dated March 13, 2012; "Second Supplemental Section A-C Response of Borusan Mannesmann Boru Sanayi ve Ticaret A.S. in the 2010-2011 Antidumping Administrative Review Involving Certain Welded Carbon Steel Standard Pipe from Turkey," dated April 9, 2012; and "Second Supplemental Section D Response of Borusan Mannesmann Boru Sanayi ve Ticaret A.S. in the 2010-2011 Antidumping Administrative Review Involving Certain Welded Carbon Steel Standard Pipe from Turkey," dated May 7, 2012.

<sup>11</sup> See Borusan's January 5, 2012, supplemental questionnaire response at pages 3 and 4.

<sup>12</sup> See Certain Welded Carbon Steel Pipe and Tube From Turkey: Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Review, 77 FR 2511 (January 18, 2012).

### Preliminary Determination of No Reviewable Entries

On September 30, 2011, the Department determined that Erbosan had no reviewable entries during the POR.<sup>13</sup> On October 17, 2011, the Department determined that Yucel had no entries subject to review during the POR.<sup>14</sup> Therefore, based on the record evidence, we preliminarily determine that these respondents had no reviewable entries during the POR.

Moreover, consistent with our practice, we find it appropriate to complete the review and to issue liquidation instructions to CBP concerning entries for Erbosan and Yucel following the final results of the review.<sup>15</sup> If we continue to find that Erbosan and Yucel had no reviewable entries of subject merchandise in the final results, we will instruct CBP to liquidate any existing unliquidated entries of merchandise produced and/or exported by Erbosan and Yucel at the all-others rate.<sup>16</sup>

### Scope of the Order

The products covered by this order include circular welded non-alloy steel pipes and tubes, of circular cross-section, not more than 406.4 millimeters (16 inches) in outside diameter, regardless of wall thickness, surface finish (black, or galvanized, painted), or end finish (plain end, beveled end, threaded and coupled). Those pipes and tubes are generally known as standard pipe,

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<sup>13</sup> See Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Ronald K. Lorentzen, Assistant Secretary for Import Administration, entitled “Welded Carbon Steel Pipe and Tube from Turkey (Period of Review: May 1, 2010, through April 30, 2011): Whether Entries Are Reviewable for ERBOSAN Erciyas Boru Sanayi ve Ticaret A.S.,” dated September 30, 2011.

<sup>14</sup> See Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Ronald K. Lorentzen, Assistant Secretary for Import Administration, entitled “Welded Carbon Steel Pipe and Tube from Turkey (Period of Review: May 1, 2010, through April 30, 2011): Whether the Yucel Group's Entry Is Properly Classified and Subject to Review,” dated October 17, 2011.

<sup>15</sup> See Stainless Steel Butt-Weld Pipe Fittings From Italy: Preliminary Results of Antidumping Duty Administrative Review and Preliminary No Shipment Determination, 76 FR 79651, 79651-52 (December 22, 2011), unchanged in Stainless Steel Butt-Weld Pipe Fittings From Italy: Final Results of Antidumping Duty Administrative Review and Final No Shipment Determination, 77 FR 24459, 24460 (April 24, 2012); see also Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties, 68 FR 23954 (May 6, 2003).

<sup>16</sup> See, e.g., Magnesium Metal From the Russian Federation: Preliminary Results of Antidumping Duty Administrative Review, 75 FR 26922 (May 13, 2010), unchanged in Magnesium Metal From the Russian Federation: Final Results of Antidumping Duty Administrative Review, 75 FR 56989 (September 17, 2010).

though they may also be called structural or mechanical tubing in certain applications. Standard pipes and tubes are intended for the low pressure conveyance of water, steam, natural gas, air, and other liquids and gases in plumbing and heating systems, air conditioner units, automatic sprinkler systems, and other related uses. Standard pipe may also be used for light load-bearing and mechanical applications, such as for fence tubing, and for protection of electrical wiring, such as conduit shells.

The scope is not limited to standard pipe and fence tubing, or those types of mechanical and structural pipe that are used in standard pipe applications. All carbon steel pipes and tubes within the physical description outlined above are included in the scope of this order, except for line pipe, oil country tubular goods, boiler tubing, cold-drawn or cold-rolled mechanical tubing, pipe and tube hollows for redraws, finished scaffolding, and finished rigid conduit.

Imports of these products are currently classifiable under the following Harmonized Tariff Schedule of the United States (“HTSUS”) subheadings: 7306.30.10.00, 7306.30.50.25, 7306.30.50.32, 7306.30.50.40, 7306.30.50.55, 7306.30.50.85, and 7306.30.50.90. Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.

#### Targeted Dumping

U.S. Steel notes that it conducted its own targeted dumping analysis of Toscelik’s and Borusan’s U.S. sales using the Department’s targeted dumping methodology as applied in Steel Nails and modified in Wood Flooring.<sup>17</sup> Based on its own analysis, U.S. Steel argues the

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<sup>17</sup> See U.S. Steel Corporation’s Allegation of Targeted Dumping with respect to Toscelik, dated May 9, 2012, at 1-8, and U.S. Steel Corporation’s Allegation of Targeted Dumping with respect to Borusan, dated May 14, 2012, at 1-8, both (citing Certain Steel Nails from the People’s Republic of China: Final Determination of Sales at Less Than Fair Value and Partial Affirmative Determination of Critical Circumstances, 73 FR 33,977 (June 16, 2008), and accompany Issues and Decision Memorandum at Comment 8 (“Steel Nails”); Multilayered Wood Flooring from the People’s Republic of China: Final Determination of Sales at Less Than Fair Value, 76 FR 64318 (Oct. 18, 2011), and

Department should conduct a targeted dumping analysis and employ average-to-transaction comparisons without offsets should the Department find that the record supports its allegation of targeted dumping.<sup>18</sup> Borusan argues that U.S. Steel's arguments are untimely and that if the Department acts on the allegation, it should investigate whether movements in the cost of hot-rolled coil account for differences in Borusan's pricing of the subject merchandise over time.<sup>19</sup>

For purposes of these preliminary results, the Department did not conduct a targeted dumping analysis. In calculating the preliminary weighted-average dumping margin, the Department applied the calculation methodology adopted in the Final Modification for Reviews.<sup>20</sup> In particular, the Department compared monthly, weighted-average export prices with monthly, weighted-average normal values, and granted offsets for negative comparison results in the calculation of the weighted-average dumping margins.<sup>21</sup> Application of this methodology in these preliminary results affords parties an opportunity to meaningfully comment on the Department's implementation of this recently adopted methodology in the context of this administrative review.

### Product Comparison

We compared the EP to the NV, as described in the Export Price and Normal Value sections of this notice. In accordance with section 771(16) of the Tariff Act of 1930, as amended ("the Act"), we first attempted to match contemporaneous sales of products sold in the United

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accompanying Issues and Decision Memorandum at Comment 4 ("Wood Flooring").

<sup>18</sup> See id. at 5-8.

<sup>19</sup> See Borusan's letter to the Department, entitled "Administrative Review of the Antidumping Duty Order on Certain Welded Carbon Steel Pipe from Turkey for the Period 5/01/10-4/30/11; Response to Targeted Dumping Allegations," dated May 17, 2012.

<sup>20</sup> See Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings; Final Modification, 77 FR 8101 (February 14, 2012) ("Final Modification for Reviews").

<sup>21</sup> See id. at 8102.

States and comparison market that were identical with respect to the following characteristics: (1) grade; (2) nominal pipe size; (3) wall thickness; (4) surface finish; and (5) end finish. When there were no sales of identical merchandise in the home market to compare with U.S. sales, we compared U.S. sales with the most similar merchandise based on the characteristics listed above in order of priority listed.

#### Export Price

Because Borusan and Toscelik sold subject merchandise directly to the first unaffiliated purchaser in the United States prior to importation, and constructed export price (“CEP”) methodology was not otherwise warranted based on the record facts of this review, in accordance with section 772(a) of the Act, we used export price (“EP”) as the basis for all of Borusan and Toscelik’s sales.

We calculated EP using, as the starting price, the packed, delivered price to unaffiliated purchasers in the United States. In accordance with section 772(c)(2)(A) of the Act, we made the following deductions from the starting price (gross unit price), where appropriate: foreign inland freight from the mill to port, foreign brokerage and handling, and international freight.

In addition, Borusan reported an amount for duty drawback which represents the amount of duties on imported raw materials associated with a particular shipment of subject merchandise to the United States that is exempted upon export. Borusan requested that we add the amount to the starting price.<sup>22</sup> To determine if a duty drawback adjustment is warranted, the Department has employed a two-prong test which determines whether: (1) the rebate and import duties are dependent upon one another, or in the context of an exemption from import duties, if the exemption is linked to the exportation of the subject merchandise; and (2) the respondent has

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<sup>22</sup> See Borusan’s QR A – D at page C-35.

demonstrated that there are sufficient imports of the raw material to account for the duty drawback on the exports of the subject merchandise.<sup>23</sup>

After analyzing the facts on the record of this case, we find that Borusan has adequately demonstrated that import duties for raw materials and rebates granted on exports are linked under the Government of Turkey's duty drawback scheme.<sup>24</sup> Additionally, Borusan has provided evidence that its imports of hot-rolled coil are sufficient to account for the duty drawback claimed on the export of subject merchandise.<sup>25</sup> Therefore, consistent with our determination in the 2009-2010 administrative review, we are granting Borusan a duty drawback adjustment for purposes of the preliminary results.<sup>26</sup> Toscelik did not report an amount for duty drawback.

#### Normal Value

##### A. Selection of Comparison Market

To determine whether there was a sufficient volume of sales in the comparison market, i.e., Turkey, to serve as a viable basis for calculating NV, we compared Borusan's and Toscelik's home market sales volumes of the foreign like product to their U.S. sales volume of the subject merchandise, in accordance with section 773(a)(1) of the Act. For each company, the aggregate home market sales volume of the foreign like product was greater than five

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<sup>23</sup> See Allied Tube & Conduit Corp. v. United States, 29 C.I.T. 502, 506 (Ct. Int'l Trade 2005). See also Certain Steel Concrete Reinforcing Bars from Turkey; Preliminary Results of Antidumping Duty Administrative Review and New Shipper Review and Notice of Intent to Revoke in Part, 72 FR 25253, 25256 (May 4, 2007), unchanged in Certain Steel Concrete Reinforcing Bars From Turkey; Final Results of Antidumping Duty Administrative Review and New Shipper Review and Determination To Revoke in Part, 72 FR 62630 (November 6, 2007).

<sup>24</sup> See Borusan's QR A – D at Exhibit C – 8.

<sup>25</sup> See id.

<sup>26</sup> See Certain Welded Carbon Steel Pipe and Tube from Turkey; Notice of Preliminary Results of Antidumping Duty Administrative Review, 76 FR 33204 (June 8, 2011), unchanged in Certain Welded Carbon Steel Pipe and Tube From Turkey; Notice of Final Results of Antidumping Duty Administrative Review, 76 FR 76939 (December 9, 2011).



percent of the U.S. sales volume of the subject merchandise.<sup>27</sup> Therefore, we determine that the home market was viable for comparison purposes for Borusan and Toscelik.

B. Affiliated Party Transactions and Arm's Length Test

We included in our analysis Borusan's and Toscelik's home market sales to affiliated customers only where we determined that such sales were made at arm's-length prices, i.e., at prices comparable to prices at which Borusan and Toscelik sold identical merchandise to their unaffiliated customers. To test whether the sales to affiliates were made at arm's-length prices, we compared the starting prices of sales to affiliated and unaffiliated customers net of all movement charges, direct selling expenses, discounts, and packing. Where the prices to that affiliated party were, on average, within a range of 98 to 102 percent of the prices of comparable merchandise sold to unaffiliated parties, we determined that the sales made to the affiliated party were at arm's-length.<sup>28</sup> Conversely, where we found that the sales to an affiliated party did not pass the arm's-length test, then all sales to that affiliated party have been excluded from the dumping analysis.<sup>29</sup>

C. Level of Trade

In accordance with section 773(a)(1)(B)(i) of the Act, we determined NV based on sales in the comparison market at the same level of trade ("LOT") as the EP sales.

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<sup>27</sup> See Borusan QR A – D at page 3; Toscelik QR A – D at page 3.

<sup>28</sup> See 19 CFR 351.403(c); Notice of Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review: Ninth Administrative Review of the Antidumping Duty Order on Certain Pasta from Italy, 71 FR 45017, 45020 (August 8, 2006) ("Certain Pasta from Italy"), unchanged in Notice of Final Results of the Ninth Administrative Review of the Antidumping Duty Order on Certain Pasta from Italy, 72 FR 7011 (February 14, 2007); see also Memorandum from Christopher Hargett to the File, "Analysis Memorandum for Toscelik Profil ve Sac Endustrisi A.S." ("Toscelik's Sales Calculation Memo"), and Memorandum from Christopher Hargett to the File, "Analysis Memorandum for the Borusan Group" ("Borusan's Sales Calculation Memo") both dated concurrent with this notice.

<sup>29</sup> See Certain Pasta from Italy, 71 FR at 45020; see also Antidumping Proceedings: Affiliated Party Sales in the Ordinary Course of Trade, 67 FR 69186, 69187 (November 15, 2002).

Pursuant to 19 CFR 351.412(c)(2), to determine whether EP sales and NV sales were at different LOTs, we examined stages in the marketing process and selling functions along the chain of distribution between the producer and the unaffiliated (or arm's-length) customers. If the comparison market sales are at a different LOT and the differences affect price comparability, as manifested in a pattern of consistent price differences between sales at different LOTs in the country in which NV is determined, we will make an LOT adjustment under section 773(a)(7)(A) of the Act.

We did not make an LOT adjustment under 19 CFR 351.412(e) because there was only one home market LOT for each respondent and we were unable to identify a pattern of consistent price differences attributable to differences in LOTs. See 19 CFR 351.412(d).

For a detailed description of our LOT methodology and a summary of company-specific LOT findings for these preliminary results, see Toscelik's Sales Calculation Memo and Borusan's Sales Calculation Memo.

D. Cost of Production Analysis

The Department disregarded sales below the cost of production ("COP") in the last completed review in which Borusan and Toscelik participated.<sup>30</sup> Thus, in accordance with section 773(b)(2)(A)(ii) of the Act, there are reasonable grounds to believe or suspect that Borusan and Toscelik made sales of the subject merchandise in their comparison market at prices below the COP in the current review period. Thus, pursuant to section 773(b)(1) of the Act, we initiated a COP investigation of sales by Borusan and Toscelik. We examined the cost data for Borusan and

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<sup>30</sup> See Certain Welded Carbon Steel Pipe and Tube From Turkey; Notice of Preliminary Results of Antidumping Duty Administrative Review, 76 FR 33204, 33208 (June 8, 2011), unchanged in Certain Welded Carbon Steel Pipe and Tube From Turkey; Notice of Final Results of Antidumping Duty Administrative Review, 76 FR 76939 (December 9, 2011).

Toscelik and determined that our quarterly cost methodology is not warranted and, therefore, we have applied our standard methodology of using annual costs based on the reported data, adjusted as described below.

1. Calculation of Cost of Production

Before making any comparisons to NV, we conducted a sales-below-cost analysis of Borusan and Toscelik pursuant to section 773(b) of the Act to determine whether Borusan's and Toscelik's comparison market sales were made at prices below the COP. We compared sales of the foreign like product in the home market with model-specific COP figures. In accordance with section 773(b)(3) of the Act, we calculated COP based on the sum of the cost of materials and fabrication employed in producing the foreign like product, plus amounts for selling, general, and administrative ("SG&A") expenses, financial expenses, and all costs incidental to placing the foreign like product in packed condition and ready for shipment.

In our sales-below-cost analysis, we relied on the COP information provided by Borusan and Toscelik in their questionnaire responses.<sup>31</sup>

2. Test of Comparison Market Prices

In determining whether to disregard Borusan's and Toscelik's home market sales made at prices below the COP, we examined, in accordance with sections 773(b)(1)(A) and (B) of the Act, whether, within an extended period of time, such sales were made in substantial quantities, and whether such sales were made at prices which permitted the recovery of all costs within a reasonable period of time in the normal course of trade. As noted in section 773(b)(2)(D) of the Act, prices are considered to provide for recovery of costs if such prices are above the weighted-average per-unit COP for the period of investigation or review. We determined the net

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<sup>31</sup> See Toscelik's Sales Calculation Memo and Borusan's Sales Calculation Memo.

comparison market prices for the below-cost test by subtracting from the gross unit price any applicable movement charges, discounts, direct and indirect selling expenses, and packing expenses.<sup>32</sup>

### 3. Results of COP Test

Pursuant to section 773(b)(2)(C)(i) of the Act, where less than 20 percent of sales of a given product were at prices less than the COP, we did not disregard any below-cost sales of that product because we determined that the below-cost sales were not made in “substantial quantities.” Where 20 percent or more of a respondent’s sales of a given product were at prices less than the COP, we disregarded the below-cost sales because: (1) they were made within an extended period of time in “substantial quantities,” in accordance with sections 773(b)(2)(B) and (C) of the Act; and (2) based on our comparison of POR prices to the weighted-average COPs for the POR, they were at prices which would not permit the recovery of all costs within a reasonable period of time, in accordance with section 773(b)(2)(D) of the Act.

Our cost test for Toscelik and Borusan revealed that, for home market sales of certain models, less than 20 percent of the sales of those models were made at prices below the COP. Therefore, we retained all such sales in our analysis and included them in determining NV. Our cost test for Toscelik and Borusan also indicated that for home market sales of other models, more than 20 percent were sold at prices below the COP within an extended period of time and were at prices which would not permit the recovery of all costs within a reasonable period of time. Thus, in accordance with section 773(b)(1) of the Act, we excluded these below cost sales from our analysis and used the remaining above-cost sales to determine NV.<sup>33</sup>

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<sup>32</sup> See Toscelik’s Sales Calculation Memo and Borusan’s Sales Calculation Memo.

<sup>33</sup> See Toscelik’s Sales Calculation Memo and Borusan’s Sales Calculation Memo.

E. Calculation of NV Based on Comparison Market Prices

For Borusan and Toscelik, for those comparison products for which there were sales at prices above the COP, we based NV on home market prices. In these preliminary results, we were able to match all U.S. sales to contemporaneous sales, made in the ordinary course of trade, with sales of either an identical or a similar foreign like product, based on matching characteristics. We calculated NV based on ex-works or delivered prices to unaffiliated customers, or prices to affiliated customers which were determined to be at arm's length (see discussion above regarding these sales). We made adjustments, where appropriate, from the starting price for billing adjustments, discounts, rebates, and inland freight. Additionally, we added interest revenue, capped at the amount of the corresponding credit expense.<sup>34</sup> In accordance with section 773(a)(6) of the Act, we deducted home market packing costs and added U.S. packing costs.

In accordance with section 773(a)(6)(C)(iii) of the Act, we adjusted for differences in the circumstances of sale. These circumstances included differences in imputed credit expenses and other direct selling expenses, such as the expense related to bank charges and factoring. We also made adjustments, where appropriate, for physical differences in the merchandise in accordance with section 773(a)(6)(C)(ii) of the Act.

For a detailed description of our calculation of NV based on comparison market prices, see Toscelik's Sales Calculation Memo and Borusan's Sales Calculation Memo.

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<sup>34</sup> See Certain Orange Juice from Brazil: Final Results of Antidumping Duty Administrative Review, 74 FR 40167 (August 11, 2009), and accompanying Issues & Decision Memorandum at Comment 3.

### Currency Conversion

The Department's preferred source for daily exchange rates is the Federal Reserve Bank. However, the Federal Reserve Bank does not track or publish exchange rates for the Turkish lira. Therefore, we made currency conversions based on the daily exchange rates from the Dow Jones Business Information Services (Factiva).

Section 773A(a) of the Act directs the Department to use a daily exchange rate in order to convert foreign currencies into U.S. dollars, unless the daily rate involves a "fluctuation." It is the Department's practice to find that a fluctuation exists when the daily exchange rate differs from a benchmark rate by 2.25 percent. The benchmark rate is defined as the rolling average of the rates for the past 40 business days. When we determine that a fluctuation exists, we generally utilize the benchmark rate instead of the daily rate, in accordance with established practice. We did not find that a fluctuation existed during the POR for this administrative review, and, therefore, we used the daily exchange rate.

### Preliminary Results of Review

As a result of this review, we preliminarily determine that the following weighted-average dumping margins exist for the period May 1, 2010, through April 30, 2011:

<b>Manufacturer/Exporter</b>	<b>Weighted-Average Dumping Margin (percent)</b>
Borusan	0.00
Toscelik	0.00

### Disclosure

We will disclose the calculations used in our analysis to parties to this proceeding within

five days of the publication date of this notice. See 19 CFR 351.224(b).

### Comments and Hearing

Interested parties are invited to comment on the preliminary results. Pursuant to 19 CFR 351.309(c)(1)(ii), interested parties may submit case briefs within 30 days of the date of publication of this notice. Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than 5 days after the time limit for filing the case briefs. 19 CFR 351.309(d). Parties who submit arguments are requested to submit with each argument: (1) a statement of the issue, (2) a brief summary of the argument, and (3) a table of authorities. See 19 CFR 351.309(c)(2).

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, filed electronically using Import Administration's Antidumping and Countervailing Duty Centralized Electronic Service System ("IA ACCESS"). An electronically filed document must be received successfully in its entirety by the Department by 5 p.m. Eastern Standard Time within 30 days after the date of publication of this notice. Requests should contain: (1) the party's name, address and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case briefs and rebuttal briefs.

The Department will publish a notice of the final results of this administrative review, which will include the results of its analysis of issues raised in any written comments or hearing, within 120 days from publication of this notice, in accordance with section 751(a)(3)(A) of the Act, unless the time limit is extended.

## Assessment

The Department will determine, and CBP shall assess, antidumping duties on all appropriate entries, pursuant to section 751(a)(1)(B) of the Act and 19 CFR 351.212(b)(1). The Department calculated importer-specific duty assessment rates on the basis of the ratio of the total antidumping duties calculated for the examined sales to the total entered value of the examined sales for that importer. See 19 CFR 351.212(b)(1). Where the assessment rate is above de minimis, we will instruct CBP to assess duties on all entries of subject merchandise by that importer. See id. Where the importer-specific rate is zero or de minimis, we will instruct CBP to liquidate appropriate entries without regard to antidumping duties. See 19 CFR 351.106(c)(2). The Department intends to issue assessment instructions to CBP 15 days after the date of publication of the final results of review.

The Department clarified its “automatic assessment” regulation on May 6, 2003. See Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties, 68 FR 23954 (May 6, 2003). This clarification will apply to entries of subject merchandise during the period of review produced by companies included in these preliminary results of review for which the reviewed companies did not know their merchandise was destined for the United States. In such instances, we will instruct CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate company(ies) involved in the transaction. For a full discussion of this clarification, see Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties, 68 FR 23954 (May 6, 2003).

## Cash Deposit Requirements

The following cash deposit rates will be effective upon publication of the final results of this administrative review for all shipments of welded pipe and tube from Turkey entered, or



withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for Borusan and Toscelik will be the rates established in the final results of this review (except, if the rates are zero or de minimis, then zero cash deposit will be required); (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or the less-than-fair-value (“LTFV”) investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) if neither the exporter nor the manufacturer is a firm covered in this or any previous review or the LTFV investigation conducted by the Department, the cash deposit rate will be 14.74 percent, the “All Others” rate established in the LTFV investigation.<sup>35</sup> These cash deposit requirements, when imposed, shall remain in effect until further notice.

#### Notification To Importers

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping and/or countervailing duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary’s presumption that reimbursement of antidumping and/or countervailing duties occurred and the subsequent assessment of double antidumping and/or increase the antidumping duty by the amount of the countervailing duties.

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<sup>35</sup> Antidumping Duty Order, 51 FR at 17784.

This determination is issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Paul Piquado  
Assistant Secretary  
for Import Administration

Dated: May 24, 2012

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